

# The Partnership as a Factor of Sustainable Growth for the Companies in the Information Technology Sector in Brazil

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**Abstract** – In the last decade, some companies in the field of information technology had been significant growth while others have not reached the same results. We also observed that some of these companies began to adopt strategies with a focus on partnership. There are a number of questions about the partnership as a factor of sustainable growth for the companies in the information technology Sector. This article presents some concepts and interpretations based on literature review, expert opinion, field research via questionnaires and the own professional experience.

**Keywords** – Partnership, Sustainable Growth, Information Technology Sector

## 1. Introduction

The economic restructuring observed in recent decades is implying a reorganization of the management processes of companies, based on a new organizational logic. Social changes, cultural and organizational policies, inherent in the global economy, indicate the transition from industrial society to knowledge society. Additionally, the values and the rules of coexistence that must guide the behaviour of economic agents - individuals, companies or Government - are in constant process of discussion, refinement, assimilation and transformation. This is why we must devote special attention to the conditions and opportunities that arise constantly.

The strategic importance of sustainable growth for the research and to support the construction of a future in which the development goes beyond the preservation of nature, whereas within a holistic perspective, is related to the economic, social and

political progress. Only through the involvement of all these issues, can actually be a long-term qualitative growth. The concept of economic development shall then be increasingly subjected to the sieve, initiated by movements that have arisen around the world, in particular, from the 1980. In broad terms, sustainable growth depends on integration of economic, social and environmental process.

The degree of commitment of the company with the society must be very large, because it is an undeniable obligation. Today it is unacceptable that a company operates without any concerns about the impact on the population well-being, whichever it is the workforce or not. This is emphasized when you acknowledge that company does not exist without society, that there is no supplier market without consumer market, because both require a location, an environment to settle. Organizations are beginning to realize that the credibility of the companies is the result of effective and constant practice of values such as respect, honesty, transparency in relations with its stakeholders, integrity in the financial statements and concern for the environment and the community.

For companies, it is an enormous challenge to continue advancing at the same time, in economic, social and environmental development, to guarantee a sustainable growth. It is necessary to emphasize the importance of partnering receipts, corporate partnerships with other private companies, with community organizations, non-governmental

organizations or government institutions to which the transformation movement not insulated, but articulate, since, in this way, reduce the fragmentation of care and extends the reach of business activities, observing, there, a large space to rationalize the use of resources. The subject developed in this article is experienced by a large number of business organizations, giving emphasis to the Information Technology sector companies that are looking to their operations in Brazil.

## 2. Research Aims

The territorial extension of Brazil, transport difficulties and the cultural differences led the researchers to analyze several concepts which, applied to companies in the information technology sector, could contribute to their sustainable growth. Several concepts such as partnering receipts, local presence, relationships, skill and ethics were studied in Albuquerque (2010). The application of these concepts allowed the effective analysis of sustainable growth of information technology companies in the North-East of Brazil and, through these factors, how to promote growth strategies. The purpose of this article is to analyze the concept of partnering revenues and, as a consequence, to analyze the way to contribute to the sustainable growth of information technology companies in Brazil.

In Brazil, the number of companies, whether small, medium or large, is very expressive. These companies have very different characteristics regarding their organizational structure, culture and power structure. In general, many of these companies have low life cycle or switch their presence in the various states of the country as far as they obtain specific projects in one or another state. Along this professional experience, as employee of IBM for 20 years, one of the researchers has met many difficulties arising from the “variable” growth considering a set of information technology companies in the North-East region, which is reflected on the results of the present study. The fickle growth above brings some uncertainties that impact in planning and, consequently, interfere in the results of the companies.

These events constitute obstacles to the managerial function with an impact on employees performance and business partnerships. It should be emphasized that the decline in business growth is harmful to the country as a whole and to the society in general.

## 3. Literature Review

### 3.1 Sustainable Growth

The concept of growth can be found in the texts of Smith (1778) [1979], based on the increase in the wealth produced. The truth is that the growth was only seen on its quantitatively expressed outlook, representing a variation on rents, profits and wages, without any other kind of concern. Moura (1978, p. 391) cites:

“... the entire history of economic analysis is also the history of analysis of development ...”.

A long growth viewpoint is a part of human thought, being always present in constant search of improvement of living conditions. However, the scientific theories of growth such as the ones that exist today are relatively recent in literature. Sustainability is a systemic concept related to the continuity of economic aspects, social, cultural and environmental human society.

The word sustainability as an isolated idea doesn't have much sense. It is a relational concept and a goal to pursue. The concept set out in the report of the Brundtland Commission is very well known (1991, p. 46), considered as:

“the process that seeks to meet the needs and aspirations of the present without compromising the ability of future generations to meet their own needs, or as a process of change in which the exploitation of resources, the direction of investments, the directions of technological development, and institutional change are in accordance with the current and future needs”.

The vision of the future, the desire to protect human life and nature in the long run is central on the concept of sustainability.

According to Filipe (2006, p. 8):

“Sustainable development, desirable in societies, should be carried out through a responsible decision-making process and, as far as possible, should be based on consensus. In this process, the economic activities, the environment and the well-being of human populations should be integrated and should seek for the necessary sustainability balances in the future”.

“Sustainability” is nowadays used as an umbrella term for all human activities.

According to several theorists, for a human development to be sustainable, in the broad sense, it

needs to keep in mind its environmental, social, economic, political and cultural dimensions.

### 3.2 Partnership

In the context of the knowledge-based economy, companies seek to reshape their structures and the organization of work facing the global market, in which economic barriers are disrupted and businesses adopt strategies of licensing, franchising, joint ventures and/or partnerships. Rapid renewal requirements of products and services lead to the formation of consortia and partnerships, with the investment and risk sharing, and to search for new technologies in universities and research centers. Thus, globalization has resulted in the establishment of various systems of alliances and cooperative networks.

According to Hitt (2002), involving their strategic alliances are the partnerships among firms, considering their resources, skills and core competencies combined to pursue mutual interests to design, manufacture and distribute goods and services. According to Lewis (1992), alliances provide unique opportunities for the development of strength with a uniquely broad set of partners, including customers, suppliers, competitors, distributors, universities and companies of several natures. Faulkner and Rond (2000) define the term "alliance", which at a certain point in the past meant a particular relationship and today it is used as an "umbrella" term to characterize a wide range of business-to-business relationships.

The need for a differential competitive position can boost organizations to collaborate on various segments and it may be a contentious argument to some competitors and partners in several situations. To realize that there are, in fact, a gap between what organizations would like to do and what concretely they can do, these organizations have in fact realized that it was necessary to add forces and discover ways to optimize their resources, their knowledge, their potential and that the best way to do it would be by adding efforts to other related organizations (Noletto, 2000).

### 3.3 Information Technology Sector

The information technology sector has been growing since the 1990s at rates higher than the world average. Information technology is the basic infrastructure to many sectors, since, currently, there are aspects of life that are decoupled from electronic

applications. When you approach it, it is necessary to have in mind the transformations that have been taking place in the areas of knowledge that govern computer products, as well as in their production processes. Today, the contents for the hardware components (integrated circuits) and software correspond almost to the entire value of the equipment. Thus, the competitiveness of this sector can be related to scientific domain of the following areas: microelectronics, software, communication networks, multimedia and wireless communication.

The participation of the computer industry in the Brazilian economy has grown significantly over the past recent years. In turn, when the technological sector is more broadly examined by including the telecommunications branch, it turns out that the thread had its momentum in the late 90s, in the course of privatization of fixed telephony companies in the country. After a period of strong flow of investments in the country, since 1999, the participation of the communications sector (telecommunications, computing and audiovisual) in the Brazilian GDP has maintained approximately constant levels, as a result of the cooling of the investments in the sector and throughout the economy in general. Specifically in relation to the software market, the participation of the sector in GDP is compatible with what happens with this participation in most of the developed countries.

In 2002, Brazil had the 7th world's software market (1.3% of world production), with sales of 7.7 billion dollars (2001), comparable in size to the ones in China and India (7.9 billion and 8.2 billion respectively). The industry's growth rate is about 11 percent per year since 1995, the largest segment of it, three times higher than that of hardware and approximately five times higher than the growth rate of GDP. However, very little is for export sales. In some countries like Ireland, for example, mostly of what is produced is geared to the external market. As regards the distribution of activities in the sector, the evolution of Brazilian software market shows that the production of software has been keeping at a constant level, whereas the services segment has been experiencing great progress.

## 4. Methodology

This stage of the article reports to the way research was conducted. That is, the type of search, the company chosen for the study, the region and the factors that contribute to its sustainable growth, in

addition to the instruments used for data collection and analysis of the results. From the definition of the goals of research, it was decided to use the questionnaire as a method of data collection. We tried to examine the factors that contribute the most to the sustainable growth of information technology companies of Brazil. Two criteria of choice were adopted: companies (clients) users of solutions (hardware, software, and services) provided by IBM for at least two years; and IBM Business Partners. To validate the research instrument, the researchers sent the questionnaire to three customers and asked each to assess the following aspects: clarity of the questions and adequacy to the theme proposed. In addition, asked to submit suggestions.

The questionnaire was sent to each respondent, nominally in order to convey a sense of personalization and importance to the research, in order to ensure a higher return and attention in their responses. The practical knowledge acquired for the companies, during the 20 years of work in IBM Brazil outlined before, favored the receptivity of respondents in answering the questions suggested in the script, and gave greater flexibility so that they could complement what they considered relevant. All the steps were very satisfactory.

Considering the population of customers they are more than business partners. The questionnaire was sent to 85 customers and business partners, totaling 45 130. From the 85 questionnaires sent to clients, 47% (40) were answered, and among those that were sent to business partners, 51% (23) were answered. The questionnaires returned and answered are enough to give consistency to the survey. The choice of professionals will be searched on three levels: strategic, tactical and operational (directors, managers and employees), the need for information of all that influence, somehow, in decision-making involving information technology solutions.

After the end of the empirical research, the next step was the transcription of the questionnaires in their entirety, for a subsequent evaluation of the information received. Various readings and a deep examination of the collected material has permitted to develop the analysis and interpretation of data and information. All data and information were analyzed, following the order of the questions contained in the questionnaires.

## 5. Results

Studying the placement of those involved in research about partnership, the questions focused on the topics: choice of manufacturer or business partner to provide a solution; quality of an information technology solution when provided jointly by the manufacturer and business partner.

### 5.1 Customer Results

In order to examine the manufacturer's choice or business partner to provide a solution was to put the following question:

Question 1 – Please think on the following situation: your company has possibilities to do business with the manufacturer or with a business partner. Both have the same ability to present technical and commercial solutions. In such circumstances, dealing with the manufacturer or with his business partner is indifferent in their decision making?

The following result was obtained: from the total of 40 customers, 32% (14) considered that the fact of dealing with the manufacturer or business partner is indifferent in decision-making, as 5% (2) stated that fully agree, 27% (11) stated that agree and 3% (1) stated that this factor does not interfere in the decision. It may be noted that 62% (25) have answered no to this question, 50% (20) disagree and 12% (5) declared to fully disagree. Based on these positions, it is concluded that the ability to present solutions by the manufacturer or by the business partner is not the only factor that matters to the client in decision-making.

In addition to the aspects related to the choice of the manufacturer or business partner, the quality of a solution was examined, when provided by the manufacturer and business partner, by considering the question:

Question 2 - in the North-East of Brazil, the solutions presented by the manufacturer of Information Technology that are complemented by business partners' solutions become more attractive than those provided without the partnership. Do you agree with this statement?

The following result was obtained: from the total of 40 customers, 75% (30) stated that the solutions presented by the manufacturers and complemented by business partners become more attractive than those provided without the partnership: 15% (6) stated that

fully agree and 60% (24) stated that agree. Meanwhile 12% (5) stated that this does not interfere in the decision. It may be pointed out that only 10% (4) said no to this question, 7% (3) disagree and 3% (1) declared to fully disagree. In addition, 3% have not responded to the survey. Based on these positions, it is concluded that when solutions are presented jointly by the manufacturer and business partner they become more attractive to the customer, which reinforces the hypothesis that the partnership interferes positively in sustainable growth.

## 5.2 Business Partners Results

The business partners were asked the same questions above with the following results:

Question 1 - from the total of 23 business partners, there has been no responses (0) regarding item "completely agree", 30% (7) agreed with the fact that dealing with the manufacturer or business partner is indifferent in decision-making and 9% (2) stated that this factor does not interfere in the decision. It should be noted that 61% (14) said no to this question, 48% (11) disagree and 13% (3) declared to fully disagree. Based on these positions, it is concluded that, in the view of business partners, the ability to present solutions by the manufacturer or by the partner is not the only factor that matters to the client in decision-making.

In addition to the aspects related to the choice of the manufacturer or business partner, it was examined whether the quality aspect of an information technology solution, when provided by the manufacturer and business partner, as posed in the "question 2" above, with the following result.

Question 2 - from the total of 23 business partners, 91% (21) stated that the solutions presented by the manufacturers and complemented by business partners become more attractive than those provided without the partnership: 56% (13) stated that fully agree and 35% (8) stated that agree. Meanwhile nobody has stated that this factor does not interfere with the decision and 9% (4) said they disagree with this question. Based on these positions, it is concluded that, in the view of business partners, when solutions are jointly presented by the manufacturer and business partner become more attractive to the customer, which reinforces the hypothesis that the partnering receipts interferes positively on sustainable growth.

The views of customers and business partners have converged on the partnership, because 75% (30)

and 91% (21) business partners agreed that the solutions presented by the information technology manufactory, which are complemented by business partners solutions, become more attractive than those provided without the partnership.

## 6. Conclusions

This study revealed to have a great richness in data and information as what regards the review of the literature. Due to the breadth and diversity of the theme object of research, this work is substantiated considering a set of several theorists, which strengthened the analysis and the interpretations of researchers in this study. For the development of this work, a number of factors were studied that contribute to the sustainable growth of information technology companies in Brazil such as: partnerships, local presence, relationship, skills and ethics. This article focused on the partnerships factors. Based on the theoretical foundation and through the methodology used, it was possible to understand the perception of customers and business partners regarding the partnerships.

Another checked feature refers to the competitive edge in business, as a result of the application of these factors in business practice. It was observed that the great geographical extension of Brazil associated with the pressure that companies are suffering in the quest to redesign their structures and organizations to meet the challenges of the globalized market, led to the formation of consortia and partnerships aimed at the investment and risk sharing, in addition to the search for new technologies. The partnerships provide an unique opportunity for developing an exceptionally broad range of companies, including customers, suppliers, competitors, distributors, universities and companies of other natures, which combine their skills and competencies, aimed at the achievement of mutual interests to design, manufacture and distribute goods and services.

It was found that many customers expect that information technology companies contribute to the construction of a better society and adopt an ethical conduct in their network of relationships. Based on the analysis of the results of the survey, it was found that the strategies that involve partnerships have contributed to the sustainable growth of information technology companies in Brazil. The relevance of this work to the academia is to address a theme of great emphasis on current events, which may be included

in models of management and production companies or future research.

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